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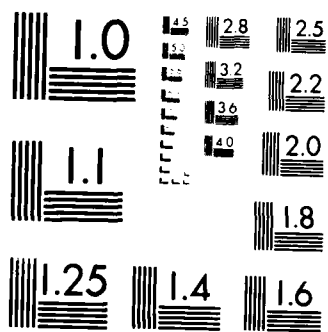
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POLITICS OF SUCCESSION IN TAIWAN

A Paper Prepared for the Department of State

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July 1984

Contract No. 1722-320146

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## POLITICS OF SUCCESSION IN TAIWAN

Taiwan's politics has been highly eventful in 1984. In May, Chiang Ching-kuo (CCK), at the age of 74, began his second six-year term as President of the Republic of China (ROC). He selected Dr. Lee Teng-hui, Governor of Taiwan Province, a native of Taiwan and 13 years his junior, to be the vice-President, in place of Shieh Tung-min, who stepped down due to advanced age (76). In June, an economist and banker, Yu Kuo-hua, was appointed Premier to run the government. Yu was a surprise replacement for former Premier Sun Yun-suan, who had been groomed by CCK to take over the reign, but who suffered a stroke in late February, thereby ending his active political career. Following the appointment of new Premier, the leadership personnel of the ROC government and the Kuomintang (KMT or Nationalist Party) also underwent a large-scale reshuffle in June and July.

In spite of these leadership changes, numerous questions on CCK's succession remain unanswered. For instance, while Vice-President Lee will, by constitution, take over the office of President in the event CCK dies in office, who will inherit the post of the KMT Chairmanship, which is more powerful and important in the ROC power structure? The post is most likely to go to a mainlander, but since the KMT Charter does not stipulate the procedures of succession, and no one has a legal claim to the

chairmanship, CCK's mantle would thus be up for grabs among several powerful mainland KMT leaders.

No matter who succeeds CCK as KMT chairman, such a person or anybody in Taiwan's future political horizon, will not be able to inherit all the powers and influences CCK possesses today. Thus, after CCK, a collective leadership will likely govern Taiwan. If this is the case, who will be included? What kind of political forces will be represented in the coalition?

These and other questions will be examined below. This study does not focus exclusively on who will succeed CCK. Rather it intends to be a broad analysis of "who gets what, when, and how," in Taiwan, a study of the power transition, the rivalry of elite groupings and forces, the key players involved, and possible implications for the United States.

#### I. CCK's ONE-MAN RULE

Since 1978 when CCK took over the presidency from Yen Chia-kan, who succeeded President Chiang Kai-shek in 1975 and completed Gimo's fifth term as President of the ROC in 1978, CCK has become Taiwan's undisputed leader in name as well as in reality, and wielded virtually absolute power, much like his father before. Although CCK's rise to supreme power was assisted by his father and facilitated greatly by the death of General



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Chen Cheng in 1965, who was the number two man in the leadership hierarchy and the top contender to Gimo's mantle, he made it to the top largely through his own endeavor and the power he possesses has been largely won by himself. He did it step by step for almost three decades by securing control over each and every major institution, building a broad base of power, and breaking up or neutralizing other rival forces inside and outside the KMT. (See Table 1, p. 4).

Several salient features of CCK's strategy and rise to power are discernible. First and foremost was to establish control over the security apparatus. He did it by thoroughly reorganizing the intelligence and secret police system, abolishing such intelligence organizations as the CC faction-dominated "Central Statistical Bureau" inside the KMT and the "Military Statistical Bureau" in the Defense Ministry, setting up the Bureau of Investigation, and placing his own men in the key positions of various security organizations in the KMT, military and government.

Secondly, he secured control over the military. What he has done was to set up a system of political commissars inside the military to oversee the military commanders and insure the ideological rectitude of officers and men, and to establish the Political Cadres School to cultivate a corps of political officers to carry out these tasks, as well as to build up an

Table 1 - Chronology of CCK's Rise to Power

194	CCK appointed chief of Taiwan KMT Provincial Committee;
1950	CCK appointed a member of the KMT Reconstruction Committee (leadership nucleus), and Director of General Political Department, Ministry of Defense; in charge of national security apparatus, establishing the Bureau of Investigation; Gen. Chen Cheng appointed Premier;
1951	The Political Cadres School founded, CCK named its commandant;
1952	China Youth Corps set up--CCK named the Director; elected to the KMT Central Standing Committee;
1954	Gen. Chen Cheng elected Vice-President of the ROC, and Yu Hung-chun appointed Premier; CCK set up and headed Vocational Assistance Commission for Retired Servicemen;
1957	Chen Cheng elected Vice Chairman of the KMT, making him leading contender to Chiang Kai-shek's mantle;
1958	Vice-President Chen Cheng served as Premier concurrently;
1960	Chiang Kai-shek elected President for the third time, following revision of the ROC constitution which limited the President's tenure to two terms; Chen Cheng was re-elected Vice-President;
1964	Yen Chia-kan appointed Premier, CCK named Minister of State and Vice-Minister of Defense;
1965	Chen Cheng died of cancer; CCK appointed minister of Defense;
1966	Chiang Kai-shek elected President for the fourth term; Yen Chia-kan made Vice-President and Premier concurrently;
1969	CCK appointed Vice-Premier;
1972	Chiang Kai-shek re-elected President, and Yen Vice-President, CCK named Premier;
1975	Chiang Kai-shek died in April, Yen succeeded as President; CCK elected Chairman of the KMT;
1978	CCK elected President, Shieh Tung-min Vice-President, Sun Yun-suan appointed Premier;
1984	CCK re-elect President, Lee Teng-hui elected Vice-President, and Yu Kuo-hua appointed Premier.

organized following. His most important lieutenant for this task was Wang Sheng. Moreover, CCK also assumed greater control over the military by serving first as vice-Minister and then Minister of Defense during 1964-1969, and introduced a system of tenure and rotation among officers. Such a system not only has deprived military officers of personal control of the troops, but also given CCK enormous advantages to patronize and coopt supporters.

Thirdly, as early as 1952, CCK established the China Youth Corps (CYC) to organize the youth, broaden his base of appeal and support and, most important of all, to recruit his political followers among the youth, especially the Taiwanese. His most trusted and valuable aide in this area was Lee Huan. Likewise, CCK set up and headed the Vocational Assistance Commission for Retired Servicemen, using it to aid the veterans, and enhance his base of support in the polity.

Fourthly, he moved into posts of greater governmental responsibility from the late 1960's on, serving as Vice-Premier in 1969 and Premier in 1972 to broaden his administrative experience and acquire more areas of expertise. By April 1975 when Chiang Kai-shek died, and Vice-President Yen succeeded as President, CCK was already the acknowledged strongman in the ROC and was elected Chairman of the KMT to succeed his father's mantle. In 1978, Yen stepped down as President in favor of CCK, thereby completing a highly smooth transition of power.



To gain political Power in Taiwan (or on the mainland), a leader must occupy or dominate key bases of power. But in order to do so, he must recruit and train a group of staunch followers and coopt supporters to retain control over such bases. These were precisely the steps CCK has taken. From early 1950's onward, he has placed his old time comrades from the mainland as well as new followers and supporters recruited in Taiwan from the China Youth Corps, Political Cadres School and other areas in the major leadership posts of the security, Party, government, military, and economic organizations. In the process CCK has also crushed the CC faction and the Chen Cheng faction and coopted or neutralized Madama Chiang Kai-shek's followers.

## II. THE KMT LEADERSHIP NUCLEUS

Because CCK stands at the pinnacle of the government, party, and military hierarchies, and his men control each and every key institution of power in the political system, he has exercised almost absolute power in Taiwan since 1978. In theory, the Central Standing Committee (CSC) of the KMT is the regime's top most decision-making body, in reality it is controlled by the party chairman. According to insiders, important policy decisions are decided mostly outside the CSC by CCK and his confidants (e.g. Chiang Hsiao-Wu, CCK's son, who is the Executive Secretary of National Security Council, but not a

member of the CSC), and submitted by the Chairman to the CSC for final approval. The CSC usually gives por forma approval to such "proposals" without much discussion. Although members of the CSC must, by the KMT Charter, be elected by the Central Committee (CC), CCK has in practice preempted such function by picking and nominating the CSC candidates, while the CC confirms his choices by acclamation.

It becomes obvious that members of the CSC serve at CCK's pleasure and can hardly challenge or even constrain his power. If we subject the membership of the CSC under close scrutiny, we can classify the 31 of its 32 members (excluding CCK) into the following five categories: (1) representative of various central governmental departments, parliamentary and judiciary organs; (2) Key provincial and municipal government officials from Taiwan; (3) representatives of media organizations; (4) coopted Taiwanese; and (5) "elder statesmen" (the CSC membership is listed in Table 2, p. 8).

Some of them such as Shen Chang-huan, Premier Yu and Admiral Ma Chi-Chuang, and secretary-general of the KMT Tsiang Yen-si (known to Americans as Y.S. Tsiang, who is not a CSC member) are CCK's trusted aides and in his inner circle. Outside this inner ring are top officials of key systems like former Premier Sun, Gen, Hau pei-tsun, and Nieh Wen-ya. All of them are quite close to CCK politically but they are his subordinates.

Table II

## Central Standing Committee

## Second Plenum of the Twelfth Congress of the Nationalist Party

F	K	NAME	AGE	NATIVE PROVINCE	POSITION IN JULY/1984
		Chiang ching-kuo	74	Zhejiang	President
1		Yen chia-kan	80	Jiangsu	Ex-president
2		Shieh Tung-min	78	Taiwan	Ex-vice president
3		Sun Yun-suan	71	Shandong	Ex-premier
4		Ku Cheng-kang	82	Guizhou	Chmn, World Anti-Communist League
5		Huang shao-ku	84	Hunan	President of the Judiciary Yuan
6		Nieh Wen-ya	80	Zhejiang	President of the Legislative Yuan
7		Yuan Shou-ch'ien	77	Hunan	Dpty sec-gen, Mainland Recovery Planning Commission
8		Kao K'uei-yuan	76	Shandong	Ex-Minister of Defense
9		Li Teng-hui	61	Taiwan	Vice president of State
10		Ma Chi-chuang	72	Hebei	Minister of State
11		Shen Chang-huan	71	Jiangsu	Secretary General of the Presidential office
12		Li Kuo-ting	74	Jiangsu	Minister of State
13		Yu Kuo-hua	71	Zhejiang	Premier
14		Sung Chang-chih	68	Liaoning	Minister of Defense
15		Hau Pei-t'sun	65	Jiangsu	Chief of Staff
16		Wang Tih-wu	71	Zhejiang	Owner of <u>United Daily News</u>
17		Lin Yang-kang	57	Taiwan	Vice premier
18		Chiu Chuang-huan	59	Taiwan	Governor of Taiwan
19		Yu Chi -chung	75	Jiangsu	Owner of <u>China Times</u>
20		Hung Shou-nan	72	Taiwan	Vice president of Judiciary Yuan
21		Yen Chen-hsing	72	Henan	Director of Atomic Energy Commission
22		Ts'ao Sheng-fen	70	Hunan	Publisher of <u>Central Daily News</u>
23		Chao Tze-chi	69	Jehol	Legislative Yuan
24		Ho Yi-wu		Guangdong	Secretary General of the National Assembly
25		Ku Chen-fu	67	Taiwan	Chairman of National Assembly of Industry and Commerce
26		Lin Ting-sheng	66	Taiwan	Industrialist
27		Huang Tznen-chion	61	Taiwan	Vice president of the Control Yuan
28		Lien Chan	48	Taiwan	Minister of Communication
29		Kao Yu-jen	50	Taiwan	Speaker of Taiwan Provincial Assembly
30		Chang Chien-pang	55	Taiwan	Speaker of Taipei Municipal Assembly
31		Hsu Shui-teh	53	Taiwan	Mayor of Kaohsiung

On the other hand, three CSC members, Huang Shao-ku, Ku Cheng-kang and Yen Chia-kan, can be considered as CCK's super-advisers and do carry considerable influence. CCK is known to be highly deferential to these "elder statesmen," especially Huang and Ku, and consults them on major decisions. It should be pointed out, however, these elders, like other CSC members, do not have independent bases of power--they derive their influence on CCK primarily from their age, past political careers, and their personal relationships with CCK himself and his father. Because CCK considers Huang Shao-ku his teacher and friend, reportedly he sought Huang's advice before he decided in favor of a second term (although Huang advised against it).

Despite the fact that 12 out of 32 CSC members are Taiwanese in origin, none is really inside CCK's inner circles. Most of these Taiwanese officials are either political window-dressing or useful instruments for maintaining the KMT rule, and they have been so divided and fighting so hard among themselves that they are not an effective political force as a group or as individuals. While CCK or those in his inner circles did seek the advice of Lin Yang-kang, Lee Teng-hui and Ku Chen-fu, their policy input has been confined largely to technical matters and measures designed to facilitate implementation. EX-Vice-President Shieh Tung-min was in a better position than most other Taiwanese CSC members to speak out, but he did not choose to do so. It remains to be seen whether the current Vice-President Lee Teng-hui would

become more assertive and play a more active political role in the years to come.

Inasmuch as politics in the KMT is highly personalized, it is necessary to identify those individuals who have influence on CCK. One particular person who counsels CCK on personnel and other highly sensitive matters, including the purge of Wang Sheng and Chiang Wego (CCK's half brother), is CCK's son, Chiang Hsiao-Wu who has become his father's brain-truster and confidant. As the Executive Secretary of the National Security Council, Hsiao-wu appears to be trying to control the security apparatus from behind the scene-much like what his father did in the 1950's.

A number of other persons, who are not related to CCK, but nonetheless very close to him personally, are Lee Huan (Minister of Education since June 1984), Sung Shih-Hsuan (Director of KMT CC Organization Department), Shen Chang-huan and Wang Sheng, until his downfall last year. With the exception of Shen Chang-huan (and Wang Sheng before FEB '84), none of these truly insiders are CSC members. All of them are sure to figure prominently in CCK's succession.

### III. LEADERSHIP GROUPINGS INSIDE THE KMT

Although CCK is the undisputed leader and wields almost absolute power in Taiwan, the KMT leadership is not monolithic.

True, old leadership factions, such as the CC Clique and the Chen Cheng Clique have been demolished and their members coopted, but factional cleavages remain. In part due to CCK's method of operations (including the tactics of fostering competition and rivalry among his associates), new factions, which are led by CCK's powerful aides, have come into existence. While these factions support CCK and in no sense threaten CCK's power, they are likely to engage in a bitter struggle to structure CCK's succession or to contend for power after he is gone. Within the KMT today, there are roughly six groupings. Except the first two, the rest are more like "opinion groups", as they lack cohesion and do not have an acknowledged leader.

(1) The China Youth Corp (CYC) Faction--Lee Huan

In 1952, CCK created a youth organization called the China Youth Corps to recruit followers among the youth and expand his base of operation and support, as pointed out earlier. CCK's right-hand man in the CYC was Lee Huan, whose association with CCK dated back to the 1930's. Lee served as CYC Secretary-general (1952-63), Deputy Director (70-72), and then its Director (1973-78), replacing CCK who became Premier in 1972. Through CYC, Lee has recruited and patronized thousands of young ambitious Taiwanese.

Lee's resources and influence increased steadily over the years as he became CCK's most trusted lieutenant. During

1963-1968 and again 1972-1978, Lee served as the head of the KMT CC Organization Department and was Chairman of Taiwan Provincial KMT Committee in the interval. Control of these positions, which among others screen leadership appointments and distribute patronages, facilitated CCK's takeover of the KMT, and also helped Lee enlist and reward potential followers. Moreover, Lee was concurrently Director of Revolutionary Pragmatism Research Institute, an elite Party school, during 1975-1978. Such an outfit enabled Lee to recruit and train would-be supporters, they were then placed in key leadership positions in the government, the Party, and other hierarchies of power, with the exceptions of military and security apparatus.

Lee's impact on the personnel policy of the KMT was considerable, which in turn brought about far-reaching changes in the quality of KMT cadres. In the name of promoting the young, the better educated and the talented, Lee appointed college graduates (a large number of them Taiwanese), to take charge of Taiwan's county and municipal KMT offices, replacing the aging mainlander apparatchiki who were largely self-educated. The KMT machinery used to be staffed and run by full-time operatives, but these old-timers were systematically sidelined and their control came to an end in the mid-1970's when Lee and his proteges from the CYC and other areas took over many departments in the KMT headquarters and provincial committee.

Many political figures, including those inside CCK's camp, feared and resented Lee's growing influence, and they jumped on him when an opportunity presented itself. They made him a scapegoat for the KMT election setback in November 1977, which was also marred by a massive riot in Chungli in protest of the KMT election irregularities. Because Lee was principally in charge and was also close to CCK personally and politically, the boss felt compelled to bend backward to penalize Lee in order to display his impartiality. Lee lost all of his posts in the Party and CYC in early 1978.

However, Lee was by no means out of politics. He has remained all these years in CCK's inner circle, enjoying direct access to the boss. Likewise, he has maintained contacts with a large number of politicians, including those he has recruited or whose careers he has assisted, and many of them have since received further promotions or risen to greater political prominence. Such personal networks will become more important as years go by and as his former proteges and friends move into higher and higher positions of responsibility.

In June 1984, Lee Huan was appointed Minister of Education, signaling his formal political rehabilitation. Lee's return followed the ouster of General Wang Sheng, another CCK loyalist but Lee's rival. Besides CCK, Lee Huan is one of the few who command substantial followings. There is no question that in the



years to come Lee will be closely involved in structuring CCK's succession.

(2) Political Cadres Faction--Wang Sheng

Until recently this group had steadily grown in power but it has suffered a severe blow as its leader, Gen. Wang Sheng was purged and exiled abroad as the Ambassador to Paraguay in 1983. Like Lee Huan, Wang has a long and even more intimate personal association with CCK. For example, Wang reared and took care of CCK's illegitimate twin sons during the 1940's and 1950's--one of them, Chang Hsiao-yen (known to Americans as Johnny Chang), heads the Department of North American Affairs of the Foreign Ministry today. The formation and expansion of the Political Cadres Faction seems highly similiar to the CYC group under Lee Huan, but Wang and Lee have been political rivals and antagonistic towards each other.

When CCK sought in the 1950s to establish a system of political commissars to oversee the military officers, Wang was his principal lieutenant. Wang was instrumental in the founding of Political Staff College in 1951--he was Dean of Studies, Deputy commandant, and the commandant himself. After 1960, Wang moved to Ministry of Defense where he was Deputy Director (1960-1974) and then Director (1975-1983) of the General Political Warfare Department (GPWD), a unit which directs and controls the system of Political commissars, but he continued to

keep a close eye on the College and picked his own men to run the place for him.

In the past three decades, the College has graduated tens of thousands of political operatives--they are placed not only inside the military sector but increasingly also in other systems of power, especially since the 1970's. Thus the college became Wang's base of operation (much like the CYC was to Lee Huan) as he recruited and created a large clientele and, through personal ties, extended his influence into the security apparatus, mass media and other arenas, which were outside his official domain.

It is worth noting that Wang's influence increased enormously after Lee Huan's downfall in 1978. His political clout was further enhanced by his elevation to the CSC in 1979 and the inauguration in the same year of an ad-hoc high-level policy coordination body code named "Liu Shao-kang office" under his direction. As the body consisted of such ranking officials of the regime as then Premier Sun, KMT Secretary General, Y.S. Tsiang, and Admiral Sung (Chief of Staff in 1978, Minister of Defense since 1982), and was empowered to coordinate policies and actions of different institutions, it became a super organ above the Executive Yuan and the KMT Secretariat, and its coordinator, Wang Sheng, was able to speak with great authority on government, Party, foreign affairs, and other issues.

Another index of Wang's power expansion can be seen from the placement of his followers and clients in various hierarchies. Just as Lee Huan staffed various positions in the KMT with his proteges from the CYC and the Institute, so did Wang secure high-level Party appointments for the alumni of the Political Staff College and the political commissars. For example, Liang Shao-huang, an ex-political commissar and Wang's follower, took over the CC Organization Department in early 1980, replacing Dr. Chen Li-an (son of late vice-president Chen Cheng and a graduate of New York University). In fact, during 1979-1983, not a few ex-political commissars and alumni of the Political Staff College moved into the KMT leadership positions at all levels, eroding further the power of the veteran apparatchiki. As a result of Wang's inroad into the KMT operations, many, local politicians sought Wang's intervention to get themselves nominated or supported by the KMT for elected offices.

As with Lee Huan before, Wang Sheng's rise to political prominence and growth in influence generated grave concern in many quarters. Many people also strongly disliked him for ideological (Wang is highly conservative and even reactionary), and personal reasons, and his political enemies were waiting to cut him down. The event that contributed to and precipitated Wang's downfall was his semi-official visit to the U.S. in April, 1983. Some U.S. officials, in view of Wang's political prominence and no doubt with an eye on his future political role in Taiwan, sought to cultivate him. But the invitation turned

out to be a political "kiss of death" since CCK apparently considered the American gesture an attempt to influence the politics of succession and to interfere with the internal affairs of the ROC. His response was swift and decisive. In early May, soon after Wang returned from his unpublicized U.S. trip, Chiang ordered the "Liu Shao-kang Office" disbanded; four days later, on May 9, Chiang transferred Wang from director of the GPWD to an obscure post as director of Department of Joint Operations and Training. In mid-November, Chiang appointed Wang as the ROC Ambassador to Paraguay, thus totally removing him from Taiwan's political scene.

The ouster of Wang also seems closely related to the politics of succession that has simmered in the background in recent years. After Wang's downfall, a large number of his proteges, including many high-level political commissars in the armed forces, head of Bureau of Investigation, a Director-General of National Police Administration, and the Director of KMT Organization Department, have been replaced, and a quiet "purge" goes on in 1984. However, many ex-political commissars and followers of Wang still hold important positions in the system, and they remain a potentially formidable political force to be reckoned with.

(3) The "Young Turks"--Y.S. Tsiang

A new political grouping is rising in political influence in Taiwan's politics, and for want of a better name, I will use the term "Young Turke" to refer to this new breed of politicians. They are mostly under 50, have earned advanced degrees from abroad (especially the U.S.), and most of them are children of ranking KMT leaders, hence they are mostly Mainlanders.

Notable examples are Dr. Lien Chan, Minister of Communication; Dr. Chen Li-an, previously Deputy Secretary-General of the KMT and Director of National Science Council since June 1984; Dr. Kuan Chung, Chairman of the Taiwan KMT Provincial committee; Dr. Ma Ying-Chiu, newly appointed Deputy Secretary-General of the KMT; Dr. Soong Chu-yu, Director of the KMT Cultural Affairs Department; Dr. Cheng Hsing-hsiung, Director of KMT Overseas Affairs Department and formerly Chairman of the Kaohsiung KMT Municipal Committee; Wei Yung, Director of the Executive Yuan Research and Evaluation Commission; and Dr. Chien Fu Director of the Coordination Council of North American Affairs.

Ever since the 1970's, Lee Huan had recruited and patronized some of these "young Turks". In recent years Y.S. Tsiang appears to have actively cultivated them and advanced their careers; as KMT Secretary-General, he is in the most advantageous position to do so. Because of Tsiang's American education, likable personality, and his abilities, he is well liked, and many "young Turks" are quite willing to follow him. In time, a

rivalry seems likely to occur between Tsiang and Lee Huan, as both could become contenders to succeed CCK.

In any case, a policy to groom as many young and bright mainlanders as possible for position of leadership is clearly discernible. The aging KMT leaders appear to have adopted a strategy which emphasizes "quality over quantity" and "substance above appearance," --they have no choice but to yield more and more leadership posts to the Taiwanese, but they will strive to preempt those positions which actually control and distribute resources. The goal, needless to say, is to retain control over Taiwan and keep real power away from the Taiwanese.

#### (4) Military and Security Forces

While over 85% of the Nationalist troops are Taiwanese, most of the officer's corps and especially the ranking military leaders are Mainlanders, and they control the military and security forces which remain the two most reliable and important pillars of KMT rule in Taiwan. Their leadership personnel is interchangeable--in most cases, top police officials are also retired military officers-- and their main function is to perpetuate the KMT rule. While they support Taiwan's economic development, they have put stability above reforms and progress, and have strongly resisted democratization as well as greater Taiwanese participation in the political process.

Because the Nationalist troops in Taiwan today has been largely depoliticized and removed from the personal control of the generals, it would be virtually impossible to use the armed forces to stage a coup. Such a task is made even more difficult as few military leaders are prestigious or influential enough to serve as the rally point to elicit support and obedience from his fellow officers. CCK's brother, Chiang Wego, could have been such a figure, but like Wang Sheng, he has been demoted recently and may also be exiled abroad in the near future.

This is not to say that the military and security forces are unimportant in CCK's succession. It is quite obvious that no one they oppose would be able to succeed CCK as KMT Chairman--in this sense, they may play the role of a veto group. Aside from the politics of succession, military and security forces will remain part of the key institutions that govern Taiwan collectively after CCK is gone.

(5) The "Old Guards"

Inside the KMT policy councils, there are numerous "old guards" who are past their prime, but refuse to fade away. They are the custodian of "one China" principle, cling to shopworn ideas, and are opposed to more realistic foreign policy and necessary political reforms at home. Most of the Legislation Yuan members enjoy a lifelong tenure and belong to this category; some are also found in the CC and CSC of the KMT.

Although they no longer actively take part in a policy - making functions, some of them are high respected "elder statemen," hence they can still be highly influential on selected issues. According to sources inside the KMT, the intervention by some of the "old guards" (among them Ku Cheng-kang) was a major factor underlying Wang's ouster. Some party elders are known to have criticized Y.S. Tsiang's extra-marital affairs when CCK was seriously considering Y.S. for the premiership in the spring, and their negative comments cost Y.S. the job. At the time of CCK's succession, the "Old guards" can expect to play the role of "king-maker" and "king vetoer."

#### (6) The Coopted Taiwanese

Although 12 out of the 32 CSC members are Taiwanese politicians, so are 17 percent of the CC members, they have not been an effective political force. This is due to KMT's highly successful strategy of divide and conquer, which fosters rivalry among the Taiwanese and enables the KMT to play one against the other (eg. Lee Teng-hui vs. Lin Yang-kang) and allows the KMT to maximize control. Another important reason is that these coopted Taiwanese politicians are meek (they make it to the top because they take orders). And, with few exceptions, they do not assert their views or rights in the CSC or the CC.



On the other hand, CCK and the KMT elite know only too well they cannot ignore the fact that the Taiwanese constitute 85 percent of the 1.5 million KMT members and 80 percent of the 19 million population in Taiwan. They fully realize that to cope with economic, political and military challenge from Peking, which is likely to become more serious as its modernization programs progress, the ROC government must rely on the full cooperation and whole-hearted support of the populace. If the Taiwanese are alienated, continue to feel un-represented or under-represented, not only Taiwan's security would be jeopardized, but the KMT rule could also be endangered. Such reasoning may have been responsible for CCK's selection of LEE Teng-hui as Vice-President, despite the strong possibility that Lee could become the next ROC president. Only time will tell whether Dr. Lee, who has an excellent mind and great ability, will be more political window-dressing and a token, or whether he is really a sleeper whose time is yet to come.

#### IV. TO STRUCTURE THE CCK SUCCESSION

Ever since February 1982 when CCK underwent surgery for the second time in six months, the succession has become a major concern in Taiwan. Several publications openly discussed this issue. But when one monthly, Tsong Heng, devoted 12 pages to evaluating probable CCK successors and another, Kuo Shih Pinglun, solicited public opinion on the ideal CCK successor and was going

to publish the result of its canvass, they were banned for having crossed the limits of acceptable political discussion.

However, the KMT high command is known to have set up at the time of CCK's illness a five-man group to prepare and execute the transfer of power. The group, reportedly, consisted of Ex-President Yen Chia-Kan, Y.S. Tsiang, Premier Sun Yun-suan, Wang Sheng, and Shen Chang-huan--all of them Mainlanders who represent major institutions of power in the system. The group was dissolved after CCK sufficiently recovered in the spring of 1982 and began to receive foreign visitors, but the concern of the KMT politicians for his succession continued and became more intense with the passage of time. Some of them juggled in anticipation of an impending transition of power, others tried to structure the CCK succession.

Take the case of Chiang Wego, for example. In the past years, he increased public appearances and was highly active in speech-making. He also sponsored an organization called Society for Strategic Studies and recruited many Taiwanese businessmen and politicians into it. Strictly speaking, many of his public activities were outside his domain as commander of Combined Service Forces. Wego was doing this apparently to enhance his visibility and press for a higher post, and his friends and supporters spread the word that he would be an ideal candidate for Minister of Defense.

On the other hand, Wang Sheng used the "Office of Liu Shao-kang" to enhance his position. He placed his followers and clients in positions of responsibility. He also showed up in many public functions, including social functions, and received more and more foreign visitors. He may have desired to take over the KMT Headquarters as Secretary-General and wanted to act as the "king-maker" to effect CCK's succession.

Unquestionably, many in the KMT leadership resented and/or felt threatened by Wang's growing political influence. Among them were Shen Chang-huan, Secretary-General of the NSC and Chiang Hsiao-wu, Executive secretary of the NSC and CCK's son. According to a story circulated among ranking KMT officials, Hsiao-wu hated Wang Sheng because two of Wang's proteges, Chang Hsiao-yen (Johnny Chang) and Chang Hsiao-tzu (Dean of College of Law, Soochow University), who happens to be CCK's illegitimate twin sons, had moved up too fast in their careers and received much media attention. Apparently Hsiao-wu saw his step-brothers as rivals for succession to CCK and sought to undermine their prospect by politically destroying their mentor. Allegedly, he gathered much information on Wang's grab of power, factional activities, conversations with Americans during his 1983 U.S. tour, and womanizing and other wrong-doings, and persuaded CCK to have Wang ousted.

Hsiao-wu's intrigue was apparently assisted by Shen Chang-huan, who has his own political axe to grind. Although

Shen was removed as Minister of Foreign Affairs in the wake of U.S. decognition of the ROC in December 1978, he was appointed Secretary-General of the NSC soon thereafter and used NSC as his political base to retain and further his political influence. He recruited an ambitious Hsiao-wu as the Executive Secretary of the NSC and has used him as a conduit to CCK. Just as Wang Sheng patronized and promoted Shiao-yen and Hsiao-tzu, so Shen has sponsored and utilized Hsiao-wu to win CCK's favor.

Because Shen enjoys direct access to CCK, he wields considerable policy influence, especially on matters related to Taiwan's external relations, and exercises close control over the Foreign Ministry through his henchman Chu Fu-sung who became Minister since 1980. The following episode seems indicative of Shen's influence and conservatism. When Premier Sun gave a speech before a group of American experts on Chinese affairs on June 10, 1982 (this writer was present), and put forth a refreshing, nondogmatic posture on Taipei's relations with Peking--an approach which drew highly favorable reactions at home and abroad--Shen was furious and went to CCK to torpedo Sun's diplomatic initiative. Consequently, Taipei issued a number of clarifying and supplementary statements that clearly contradicted and thus overrode the import of Sun's June 10th speech, much to the embarrassment of Premier Sun himself and the puzzlement of outside observers.

Since June 1984 Shen has been the Secretary-General, of the Presidential Office replacing Admiral Ma Chi-Chuan, and his influence is increasing. Ma, a potential rival of Shen, appears to have been eclipsed as he was moved to Executive Yuan as Minister of State without portfolio. Undoubtedly Shen is a man to watch in CCK's succession.

#### V. Scenarios of the CCK Succession

If the succession to Chiang Kai-Shek a decade ago is any guide, CCK's succession is likely also to operate at constitutional and informal levels. When the elder Chiang died in April 1975, the Presidency was filled by the then Vice-President Yen Chia-kan. However it was CCK who succeeded his father as KMT Chairman and wielded the real power in that capacity and as Premier of the Executive Yuan. In 1978, Yen stepped down as President when the term expired, and CCK took over.

If CCK dies in office in the next six years, Vice-president Lee automatically succeeds as President, but is unlikely to become concurrently party chairman. The post is most likely to go to a Mainlander KMT leader. As of now, there is no acknowledged front runner, unless one emerges or is groomed in the near future, the post would be up for grab. Probable serious contenders include Premier Yu, Y.S. Tsiang, Lee Huan, and Shen Chang-huan, while Yen Chia-kan has an outside chance as a

compromise choice and caretaker, in the event of a deadlock and if he stays healthy.

Timing is highly crucial on how the succession drama is enacted. If, for example, CCK dies next year, Premier Yu Kuo-hua would stand a better chance of taking over the KMT chairmanship than several years from now, for by then Yu may have already exposed his inadequacy, lack of ability and political acumen and sufficiently discredited himself as a viable political leader. There is even a possibility that Yu's tenure as Premier would not last longer than two years, then he would step down in favor of Y.S. Tsiang.

If Y.S. is Premier at a time when CCK passes away, he seems most likely to take over the KMT Chairmanship. If we believe the explanation given by the KMT sources that CCK bypassed Y.S. in favor of Yu for the premiership because Y.S. was indispensable at the KMT headquarters, then Lee Huan's political rehabilitation, which may be seen as a move to prepare for Lee's future takeover of the party command as Secretary-general, would remove the obstacle to Y.S. Tsiang's elevation to the premiership.

Even if Y.S. does become Premier, and then party chairman, he will not be able to control such crucial systems of power as the military and security forces. Currently, Chiang Hsiao-wu is attempting to establish control over the security apparatus, so as to carve out a slice of the political pie for himself, and

such endeavor may have his father's blessing. Thus no future leader seems likely to control all major bases of power, and the post-CCK Taiwan will witness a KMT collegial rule with its power somewhat fragmented. Included in the collective leadership will be the leaders of current establishment, both Mainlanders and Taiwanese, with the Mainlander retaining control over the distribution of resources and largely continuing prevailing domestic and external policies.

But in a decade a second succession will occur, for most Mainlanders in the CSC and the CC would have departed the political scene. This succession will have greater and far-reaching impact, as it will usher in a new generation of leaders currently in their 40's. Some are already in the CSC, and more will be elevated to it in the next KMT Congress in 1986 or sooner. Included in this younger generation will be more native Taiwanese and more Western-educated intellectuals than are found in the present leadership. Whereas the Taiwanese politicians may enjoy parity or even numerical superiority in the CC and CSC, the Mainlanders will strive to retain control over key systems of power ( e.g. the military and security) and hold on to the positions in which allocate economic resources.

With these young people in charge, there could be significant policy implications. Because they grew up in Taiwan and do not harbor the same kind of sentimental and ideological ties to the Mainland that the current KMT leaders hold, the

future leadership seems more likely to chart a new course, abandon the "one-China" policy, and project a new international identity for Taiwan.

Moreover, the succession cannot occur in a political vacuum and both the external environment and particularly the internal situation of Taiwan are likely to have an important bearing on how the succession drama is played out. While it is true that the public at large has no direct say on the outcome of the succession, however, the strength of the Tangwai ("Independents" or opposition) and the "anticipated reaction" of Taiwanese community are sure to influence the decision on succession. For example, if more Taiwanese people participate in politics and display greater interest in democratization, and the Tangwai leaders press harder for greater representation of the Taiwanese, the Mainlanders would have to grant more concessions to the Taiwanese inside the KMT.

#### VI. MAJOR POLICY ISSUES

The KMT leadership is confronted with three broad sets of issues. Externally, how can Taiwan overcome diplomatic isolation, and enhance military security in the face of increasing challenge from the PRC? Internally, how can the KMT leadership retain political power and maintain the legitimacy of the KMT rule amid growing and louder demands by the Taiwanese for greater political participation? Economically, Taiwan has to



export to survive, hence how can it cope with the prevailing world protectionist tendencies and tougher competition from the developing countries, including the PRC?

Taiwan has suffered from increasing diplomatic isolation since December 1978, when the U.S. withdrew recognition from the ROC government. Since then, the PRC has periodically intensified its peaceful overtures to the Nationalist government in Taiwan, proposing peace talks, the exchange of mail, and travel between the mainland and Taiwan to serve as first steps toward the peaceful unification of Taiwan and the Chinese mainland. The ROC government's response has been an emphatic refusal. Many in the West consider Taiwan's attitude intransigent and inflexible. Many businessmen in Taiwan have been trading with China through third parties for years and see increasing benefits in trade with the mainland.

Three basic reasons are behind Taipei's obdurate stance. Inasmuch as the KMT government still claims to be the sole legitimate government of China, of which Taiwan is only a province, and justifies on such a claim its authoritarian rule over the native Taiwanese, who comprise 85% of the population on the island, it cannot afford to negotiate with the "Communist bandits" on unification. To accept Peking's proposal for negotiation, not to mention Peking's terms of reunification (which would reduce the KMT government in Taipei to the status of a local government) would, by the KMT's own standards, be

tantamount to affirming legitimacy of the Peking regime as China's rightful government, and at the same time destroy its own claim to power in Taiwan.

Secondly, the KMT leadership does not want to unwittingly alarm the public, or worse, risk a popular uprising, if people on the island, native Taiwanese and mainlanders alike, misconstrue KMT's display of interest in negotiations with Peking as a prelude to a "sellout." Thirdly, some KMT leaders believe that if Taipei opens negotiation with Peking, Washington could suspend arms sales to Taiwan, lest Peking accuses the U.S. of interfering with the reunification talk.

Such a negative approach has encountered considerable criticism in Taiwan, even among KMT members. Not a few mainland Chinese scholars and intellectuals blame the KMT leadership for their inordinate fear of Chinese Communists and want Taipei to go on the offensive. They argue that Taipei's automatic rejection of Peking's peace overtures makes the KMT government look unreasonably recalcitrant, put it on the defensive diplomatically, and eventually could cost sympathy and support of friends and public opinion in the U.S. They urge the KMT leadership to display more self-confidence and seize the initiative from Peking by making some counteroffers.

It was within such a context that Premier Sun made a bold gesture in June 1982, seeking to put Taipei on the offensive,

but was thwarted by the conservatives in the KMT and had to reverse himself, as noted earlier. We can be certain that Peking's peace offensive will continue and, probably, intensify with the conclusion of the Sino-British agreement on Hong Kong. Likewise, the KMT leadership may remain divided as to how best to fight Peking's initiative.

A closely related problem is how to overcome international isolation. Today only 23 governments maintain diplomatic relations with the ROC in Taipei, and most of them are small and insignificant, partly because the ROC government still claims to be China's only legitimate government, and partly because the PRC has been able to force most nations to choose between Peking or Taipei. Over the years, KMT leaders may have discussed among themselves a way out--a "two-China" formula, "one-China, one Taiwan" formula, or "one China, but a multi-system state" formula. They realize that in order to survive, in the long run Taiwan needs a new identity other than being a province of China, but no solution is acceptable for now if it undermines or threatens KMT rule over Taiwan. Such a controversy does not go away, and is sure to be raised in the policy councils again and again in the future.

In domestic politics, the pressure for political participation by the Taiwanese majority is growing. The KMT one-party authoritarian rule, 34 year-old martial law, the ban on new opposition parties, together with other attempts to

perpetuate the Mainlanders' control in Taiwan, have severely alienated the Taiwanese. Consequently, the legitimacy of the KMT rule has been called into question.

Take the example of the Legislative Yuan, the national legislature, which suffers from lack of credibility and legitimacy. Out of its 370 members, 272 are life-long members, who were elected in 1947 on the mainland; they still "represent" the districts on the mainland which they have not seen since 1949. The KMT leadership has thus far rejected general elections to this legislative body and to the National Assembly (which elects the President and amends Constitution), in fear of domination by the Taiwanese and the transmogrification of the KMT rule.

However, a political and constitutional crisis looms large in the years ahead, as most of the life-long members of the Legislative Yuan and the National Assembly are very old and ailing, and in a few years their health will not allow them to discharge their duties. Already the KMT had to reinterpret parliamentary ruled to lower the number of legislator required for a quorum. In October 1983. Y.S. Tsiang declared that after careful study the KMT leadership had ruled out appointment as a way to produce new Legislative Yuan Members, but he did not spell out what solution would be adopted to replace the veteran members when their ranks are depleted.

In the executive branch of the government, CCK has given more ministerial posts to the Taiwanese KMT members in recent years, but effective power remains in the hands of Mainlanders. The unsettled question is how much Taiwanese political participation can be allowed without endangering the Mainlander KMT elite's ultimate control of the party and the government in Taiwan. As the first-generation mainlanders die, a power struggle between mainlanders and native Taiwanese will grow in importance. It could lead to significant changes in the balance of control or greater tensions between native Taiwanese and Mainlanders.

Economically, Taiwan faces serious challenges from different quarters. In addition to world-wide recession, the rise of protectionist tendencies and stiff competition from the third-world nations, Taiwan's economy also suffers from lag in production technology, excessive government control, an archaic economic structure and system and native investors' reluctance to invest. Worse, for years now, there has been considerable unreported flights of capital from Taiwan.

To cope with these problems, the government will have to do more than emphasize technical revolution and encouragement of a shift from labor-intensive industries to technology-intensive industries. It must do away with cumbersome, rigid government regulations and control, institute broad political and

institutional reforms, promote democratization, and win more popular political support.

Another issue is whether many government-owned and government-run corporations should be turned over to the private sector, liberalizing the considerable governmental control over import, export, and other economic activities. The most powerful arguments for such changes are the inefficiency of the government enterprises, the financial losses suffered every year by most of them, the alienation of the business community because of excessive government control, and the higher production costs that have lowered Taiwan's ability to compete economically abroad. The government is unwilling to surrender control because its enterprises serve as a source of political patronage. Moreover, the regulation of economic activities not only enables the KMT to keep the Taiwanese under control, but also serves to employ many Mainlander bureaucrats.

#### VII. IMPLICATIONS FOR THE U.S.

If CCK dies in office in the next 24 months, the government can expect a smooth transition. No one with CCK's power will emerge, there will be a collective leadership, represented by the elements similar to those now in power, but with Taiwanese as the nominal President and some modest increase in Taiwanese influence. Major changes in government policies seem unlikely in the short term, but the situation may become more fluid as time goes by. *Frank*

The post-CCK regime will still be a Mainlander dominated KMT government, with those in key position of the military and security apparatus wielding considerable power, while a coalition of "young turks" and "coopted Taiwanese" are likely to dominate the non-military and non-security areas.

In light of the prevailing pattern of elite circulation and promotion in Taiwan, the politicians who rise to policy-making positions in the future are those who are already holding some positions of responsibility in major institutions, most of them are quite familiar to American observers. One surprise that Americans could witness will be Chiang Hsiao-wu, CCK's son, who is likely to exert considerable political influence as the backstage czar of the security apparatus or a segment of it. Due to his Caucasian features (Russian mother), he has operated largely behind the scene, making him a mysterious figure at home and abroad. We need to learn more about him, his policy views and political relationships.

The post-CCK regime will be unable to continue current policies indefinitely, and has to adjust to the changing international environment and increasing demands by Taiwanese for a greater political role. Given Taiwan's export-oriented economy and continuing need for advanced defense weapons, the U.S. will retain considerable leverage over Taiwan's domestic and external policies. American leverage could actually increase, as

most leaders of the post-CCK Taiwan have American education and may be more amenable to American persuasion.

One potential problem for the U.S. lies ahead. If some day (say, 10 years from now) the KMT leadership is decisively Taiwanese in outlook and origin, renounces Taiwan's ties with the mainland, projects a new identity, and calls for international recognition, Peking's reaction could be violent and the U.S. government may have a hot political potato in its hand.

But there is also a bright side. If the KMT government becomes truly representative and is based on a majority rule, then it will possess necessary popular trust and public support. When that day comes, the government would be able and probably willing to bargain with Peking, and negotiate a durable and mutually acceptable settlement.

Taiwan's lasting security and prosperity, and for that matter, stability and peace in East Asia, depends at least in part on Peking's forbearance. Taiwan cannot refuse to deal with Peking forever. However, only a government in Taipei which enjoys the genuine trust and support of the majority of the people will possess such a mandate to negotiate with Peking.



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